Appendix H: Sample Nonprofit Corporation Road Association Bylaws

BYLAWS OF

LAKE DRIVE IN NOWHERE OWNERS ASSOCIATION

ARTICLE I

The name of the corporation shall be Lake Drive in Nowhere Owners Association.

ARTICLE II The purpose for which the corporation is organized is the owning, improving and maintaining the deeded common areas and/or facilities, storm water control facilities, Lake Drive in Nowhere, Maine and engaging in such other activities as may be to the mutual benefit of the Members. It shall be a limited nonprofit private mutual benefit corporation pursuant to the laws of the State of Maine in Title 13-B. The common areas and/or facilities, storm water facilities, and Lake Drive are described in the Boundary Survey of Lake Drive, Nowhere, Maine recorded in the Kennebec County Registry of Deeds in Plan File #, Sheet						
ARTICLE III The Members of the corporation shall be limited initially to the owners, their heirs and assigns, of six (6) Lots abutting said Lake Drive as shown on said Plan consisting of: and, Lot 1, whose deed is recorded in Book, Page in said Registry;						
, Lot 2 whose deed is recorded in Book, Page in said Registry;						
and, Lot 3, whose deed is recorded in Book, Page in said Registry;						
and, Lot 4, whose deed is recorded in Book, Page in said Registry;						
, Lot 5, whose deed is recorded in Book, Page in said Registry; and						
and, Lot 6, whose deeds are recorded in Book, Page and Book						
The land of shown on said Plan as Lot 7 shall not have membership and rights and obligations in this Association until such time as that land and/or a portion of that land has located thereon a dwelling and/or a new lot which uses Drive as its primary access. If and when such a dwelling and/or lot is created, its record owner will become a member of the Association and the number of Members will be increased to seven (7).						

ARTICLE IV The corporation shall have perpetual existence.

ARTICLE V

The holder or owner of a security interest only, such as a mortgagee, shall not be

qualified to be a Member.

The affairs of the Association shall be managed by the Members at membership

meetings. Members shall elect a President, Secretary and a Treasurer annually who shall serve as Directors between membership meetings on such matters as delegated by the Members. The duties of the officers shall be as prescribed by these bylaws.

ARTICLE VI

	The	names	of t	the	officers	who	are	to	serve	until	the	first	election	under	these	Bylaws
shall be	e:															
										Pr	esid	ent				
										_ Se	ecret	ary				
										Tr	eası	ırer				

Said officers shall serve until August 1, 2009, before which the officers shall call with not less than fifteen (15) days notice a meeting of the Members to conduct the first election of officers who shall serve until the annual meeting in October, 2009.

ARTICLE VII

The Association shall hold an annual meeting in October of each year to elect officers and conduct business and shall hold other meetings as necessary.

ARTICLE VIII

At all meetings and elections, all the Members may cast only one vote for each residential dwelling owned and all such units owned by tenants in common or joint tenants may cast only one vote as a group for each lots owned. For any vote to be effective on any issue, there must be a vote in favor of the decision of at least two-thirds (2/3) of the Members.

ARTICLE IX

The bylaws of the corporation may be amended, altered or rescinded only by two-thirds (2/3) of the Members at an annual meeting.

All amendments shall not become effective until recorded in the Kennebec County Registry of Deeds.

Amendments may be proposed by any Member.

ARTICLE X Officers

<u>Section 1. Officers.</u> The officers of the Association shall be a President and a Secretary/Treasurer. They shall take office immediately after election.

<u>Section 2. The President.</u> The President shall be the chief executive officer of the Association, and shall perform such other duties as from time-to-time may be assigned to him by the Members. The President shall be ex officio a Member of all committees.

<u>Section 3. The Secretary and Treasurer</u>. The Secretary shall keep the minutes of all the Members' and Officers' meetings and the Treasurer shall have the custody of all the receipts, disbursements, funds, and securities of the Association. They shall perform all duties incident to the office of Secretary or Treasurer and shall perform such other duties as may from time-to-time be assigned by the Members or the President.

<u>Section 4. Registered Agent.</u> The Members shall appoint a Registered Agent for the Association who shall serve until replaced and who need not be a Member, but who must be a Maine resident, and whose duties shall be limited to those provided by Maine law.

ARTICLE XI

Meetings of Members

Section 1. Annual Meetings. There shall be an annual meeting of the Members of the Association each October at such place as may be designated in Readfield, Maine of each year. Notice for such meeting shall be given three (3) weeks in

dvance

<u>Section 2. Special Meetings</u>. Special meetings of the Members shall be held whenever called by the President or by at least four (4) Members. Three (3) weeks notices shall be given

to all Members.

<u>Section 3. Proxy</u>. Votes by Members may be cast in person or by written proxy by any Member, with only one vote for each lot owned as provided for in Article VIII.

<u>Section 4. Quorum.</u> A quorum shall consist of at least four (4) Members either in person or by proxy, and it shall take two-thirds (2/3) vote of the Members to decide any question that may come before the meeting.

ARTICLE XII

<u>Section 1. Qualifications</u>. Only persons qualified to be Members under Article III shall be Members.

<u>Section 2. Members</u>. A Member shall have no vested right, interest, or privilege of, in, or to the assets, functions, affairs, or facilities of the Association, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after Membership ceases.

ARTICLE XIII

<u>Section 1</u>. The Association shall have the right and power to subject the property of its Members to an annual subdivision maintenance fee and charge.

Commencing November 15, 2009, and on the same day of each year thereafter, each owner of a lot with a substantially complete residence, shall pay in advance, the maintenance fee and charges and such payments shall be used by the Association to create and continue a Maintenance Fund to be used by the Association as hereinafter stated. The Association may vote to access the maintenance fee and charges in installments and to set the due date for such installments. The charges will be delinquent when not paid within thirty (30) days after they become due.

The annual maintenance charge may be adjusted from year-to-year by the Members as the common area, storm water management facilities and road maintenance needs in its judgment may require and shall be asserted equally and for the same amount for each residential dwelling unit.

<u>Section 2</u>. The maintenance charge shall be used for improving and maintaining the said common areas, road, drainage and storm water management facilities and the sight distances on the curves and intersections of the roads. It shall also be used for providing liability insurance coverage for the Association, its Members and Officers and the costs of consultants.

ARTICLE XIV

The Association shall have the power and authority to enforce and collect said maintenance fees by any action including actions at law and equity, and including attachment of Members' property. Members who are in default of their fees shall also be liable to the Association of reasonable interest and late charges set in advance by the Association and for the Association's reasonable costs of collection, including but not limited to, attorney's fees and costs. The maintenance fees shall constitute a lien upon the land of the Members and shall run with the land.

ARTICLE XV Insurance

The Association shall maintain in full force and effect a general liability insurance policy for the benefit and protection of the Association, its officers and Members. It shall cover all land, common areas, facilities, equipment, and activities owned, operated and/or maintained by the Association as well as personal property and all acts performed for the Association. It shall have a face amount which shall be determined from time to time by the Membership. Costs of insurance shall be a part of the maintenance fee.

ARTICLE XVI

Indemnification of Officers and Members

Each officer, member and employee of The Corporation shall be indemnified by The Corporation to the extent of insurance coverage against expenses, including attorneys' fees,

judgments, fines and amounts paid in settlement, actually and reasonably incurred by such person in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of The Corporation), by the reason of the fact that such person is or was an officer, member or employee of The Corporation, if such person acted in good faith and in a manner reasonably believed to be in the best interests of The Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which is reasonably believed to be in the best interests of The Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Expenses incurred in defending a civil or criminal action, suit or proceeding, may be paid by The Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Members in the manner provided by the applicable statutes of the State of Maine concerning indemnification by nonprofit corporations currently contained in 13-B M.R.S.A. § 714, sub-§ 3 (or the corresponding provision of future Maine law), upon the receipt of an undertaking by or on behalf of the officer, member or employee to repay such amount, unless it shall be ultimately determined that such person is entitled to be indemnified as provided herein.

In the event that such action or proceeding be by or in the right of The Corporation, The Corporation shall have the same power to indemnify and insure any such director, officer or employee, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such duty, unless the court wherein the action or proceeding is tried shall specifically find that despite the adjudication of liability, but in view of all the circumstances of the case, such a person is fairly and reasonably entitled to indemnity.

The indemnification provided by these bylaws shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute or regulation of the State of Maine.

As used in this provision, the terms "officer", "member", 'employee" include the respective heirs, executors and administrators of persons holding such offices in The Corporation.

Consent and Agreement

We, for ourselves and our heirs, successors and assigns, consent and agree to be bound and our land described herein to be subject to the terms and conditions of these Bylaws, and as amended hereafter, which shall run with the land.

Dated:	May, 2009	
Dated:	May, 2009	
Dated:	May, 2009	,
Dated:	May, 2009	,
Dated:	May, 2009	
Dated:	May, 2009	
Dated:	May, 2009	

Dated: May, 2009	
Dated: May, 2009	
Dated: May, 2009	
State of Maine County of	, 20
Then personally appeared the above r acknowledged the foregoing instrument to be h	named and his free act and deed.
Before me,	
	Notary Public/Attorney-at-Law Printed Name: My Commission Expires:
	•
State of Maine County of	, 20
Then personally appeared the above r the foregoing instrument to be her free act and	named and acknowledged I deed.
Before me,	
	Notary Public/Attorney-at-Law Printed Name:
	My Commission Expires: